

401(a) Defined Contribution Retirement Plan
Arnerich, Massena & Associates, Inc. Investment Option Annual Review
Employee Investment Advisory Council Recommendations – March 21, 2007

| Retain Recommendations | | | | |
|--|---|----------------------------|------------------------|---|
| Fund Name Class & Category Current Status | Assets and Participation 12/31/06 | Arnerich Recommendation | EIAC Recommendation | Rationale Or Comments |
| Stable Value | 1,978,720 5.5%; pps = 172 12/31/05: 1,672,935 5.97%; pps = 110 | Retain | Retain | |
| Vanguard Total Bond Market Index Admiral Bond Fund | 590,641 2%; pps = 202 12/31/05: 423,584 1.51%; pps = 123 | Retain | Retain | |
| Vanguard Balanced Index Admiral Domestic Balanced | 18,552,725 52%; pps = 1,380 12/31/05: 15,490,921 55.26%; pps = 999 | Retain | Retain | |
| Barclays Global Equity Index Large Cap Blend | 88,063 0.24%; pps = 50 12/31/05: 18,512 0.07%; pps = 13 | Retain | Retain | |
| Vanguard Growth & Income Admiral Large Cap Blend | 766,204 2%; pps = 156 12/31/05: 631,728 2.25%; pps = 103 | Retain | Retain | |
| American Funds Growth Fund Large Cap Growth | 3,043,219 8%; pps = 439 12/31/05: 2,352,397 8.39%; pps = 289 | Retain | Retain | |
| Janus Mid-Cap Value Mid Cap Value | 1,729,229 5%; pps = 342 12/31/2005: 1,039,240 3.71%; pps = 203 | Retain | Retain | The Janus Mid-Cap Value trailed on overall index on performance; partially due to a large cash position and partially due to its strong value discipline. |

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| Munder Mid Cap Select Mid Cap Growth | 914,933 2.5%; pps = 229 Added in 2006 Replaced Artisan Mid- Cap Investors | Retain | Retain | |
| Vanguard Small Cap Index Admiral Small Cap Blend | 957,193 3%; pps = 214 12/31/05: 681,780 2.43%; pps = 112 | Retain | Retain | |
| Hotchkis & Wiley Small Cap Small Cap Value | 1,132,961 3%; pps = 297 12/31/05: 1,233,135 4.40%; pps = 212 | Retain | Retain | |
| Managers AMG Essex Small/Micro Cap Growth Small Cap Growth | 733,417 2%; pps = 161 Added in 2006 Replaced Brown Small Cap Investors Fund | Retain | Retain | |
| American Funds New Perspective A Global Stock | 1,766,061 5%; pps = 352 12/31/05: 1,278,468 4.56%; pps = 226 | Retain | Retain | |
| Oakmark International International Stock | 1,644,667 5%; pps = 299 12/31/05: 619,881 2.21%; pps = 153 | Retain | Retain | |
| “Other” Recommendations | | | | |
| SSGA International Growth Opportunities International Stock On Probation 2005 & 2006 | 523,509 1.5%; pps = 111 12/31/05: 284,213 1.01%; pps = 65 | Maintain on Probation | Maintain on Probation EIAC vote: Unanimous | The SSG International Growth Opportunities fund has been on probation; was recommended to terminate and search in 2005. The fund is continuing to underperform the peer group, but is looking better. Its absolute return was 19% for the year. |

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| Vanguard Equity Income Admiral | 1,323,303 4%; pps = 222 | Retain on Probation | Remove from Probation | The Vanguard Equity Income fund is in the top quartile for the year (2006) and significantly outpaced the S&P 500 Index. It meets all criteria in the IPS. |
| Large Cap Value | 12/31/05: 647,267 2.31%; pps = 139 | | EIAC vote: Unanimous | |
| On Probation 2006 | | | | |

Recommended Board Motion:

Option A: I move we accept and approve EIAC recommendations to maintain the SSGA International Growth Opportunities on probation and remove the Vanguard Equity Income from probation.

Option B: Board pleasure (define).

Moved by: _____

Seconded by: _____

Vote: _____

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